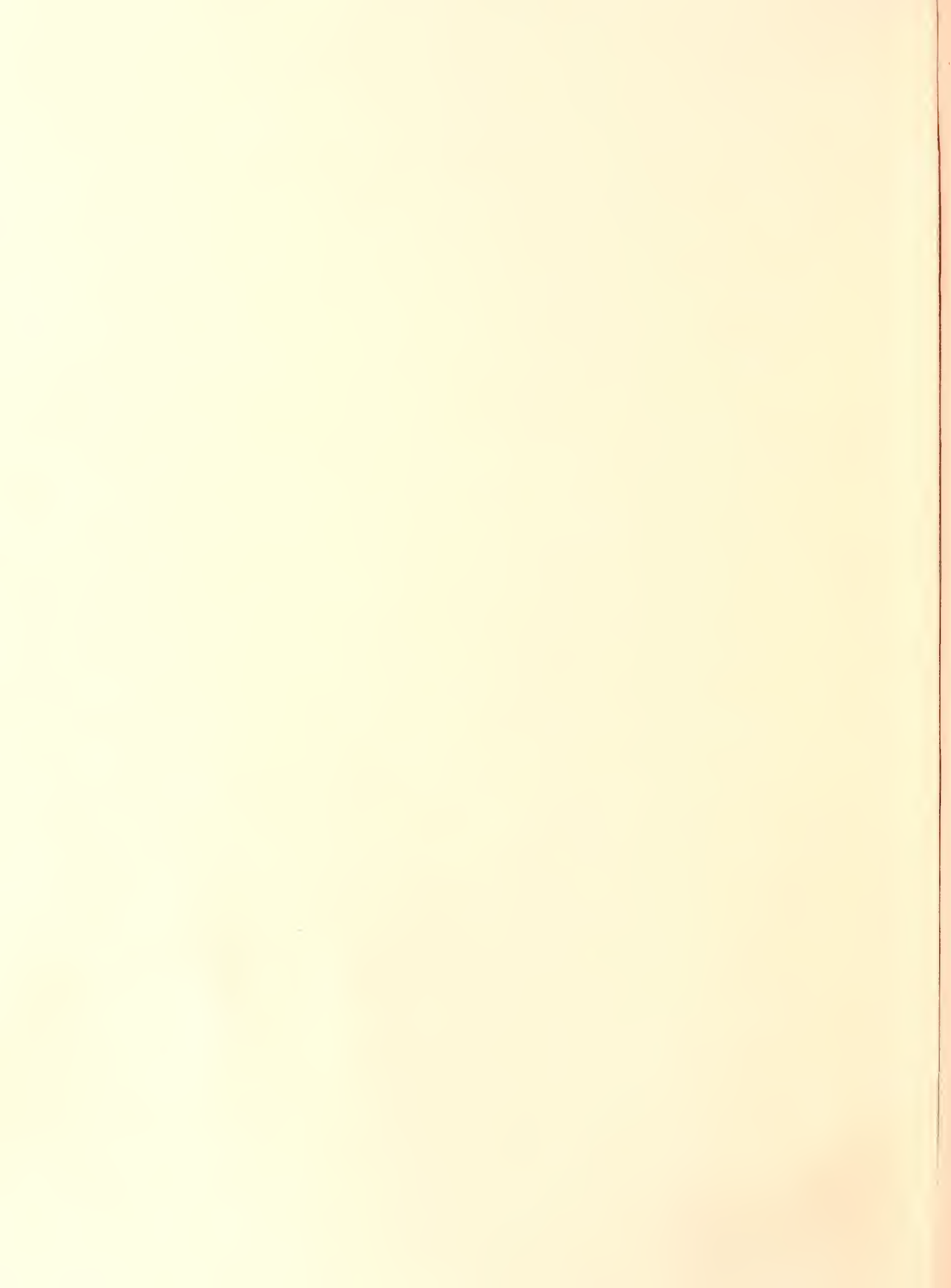


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MILK MARKET INFORMATION BULLETIN
CHATTANOOGA, TENNESSEE MARKETING AREA
NOVEMBER 1968

Number 4

Released Pursuant to §1090.27(j) and §1090.85, 1980-CA-11
Federal Order No. 90, 112 Lee Parkway, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MARKET SUMMARY - NOVEMBER 1968

The Minimum weighted average uniform price to be paid producers for November milk at Chattanooga area pool plants is \$6.22 and at Gadsden, Alabama pool plant is \$6.04. These are hundredweight prices for milk containing 3.5 percent butterfat and are subject to a butterfat differential of 8.0 cents per point (one-tenth per cent) or 4.0 cents per half point variation above or below 3.5 percent.

In November 1968, 82.1% of the producer milk received by pool plants was priced in Class I at \$6.62 per cwt. (less 18 cent location differential at Gadsden, Alabama pool plant) and 17.9% was priced in Class II at \$4.27 per cwt. The November butterfat differential for Class I was 8.1 cents and Class II was 7.7 cents.

Total producer milk received during November 1968 was 26,562,608 pounds which is an increase of 9,164,667 pounds or 52.7% compared with November 1967. The November daily average deliveries per farm from 721 producers was 1,228 pounds. This compares to 549 farms delivering a daily average of 1,056 pounds per day during November 1967.

USDA RECOMMENDS FEDERAL MILK ORDER FOR GEORGIA

Establishment of a federal milk marketing order to regulate the handling of milk in Georgia has been recommended by the U. S. Department of Agriculture. The recommendation is based upon a public hearing held in Atlanta on June 11-14, at which the major dairy farmer groups in the state went on record in favor of the new order.

The proposed order, if issued, would set minimum prices to dairy farmers on all milk sold in Georgia except in eight northern counties. Those excluded are Catoosa, Dade, Chattooga, Fannin, Murray, Walker, and Whitfield counties which are now part of the Chattanooga milk order area, and Rabun County which is not under any milk order.

As recommended, the Class I price would be computed by adding \$2.10 to the basic formula price--Minnesota-Wisconsin price series. Also, through April 1969, the Class I price would be increased by providing for a minimum basic formula price of \$4.33 and adding an additional 20 cents. If the proposed order had been in effect during November 1968, the Class I price would have been \$6.63 for milk containing 3.5 percent butterfat. For milk of 4 percent butterfat content, a pricing basis that has been used in this market, the Class I price would currently be \$7.04.

Through the marketwide pool, all dairy farmers would receive a uniform price for their milk regardless of how the milk is used. Payments from all handlers for all classes of milk would be combined, then averaged, and paid out to the farmers at a uniform or blend price per hundredweight.

OFFICE LOCATION CHANGED

The office was moved to 112 Lee Parkway about December 1, 1968. Lee Parkway is a new street located near the intersection of Lee Highway (No. 11) and Shallowford Road and near the Shallowford exit of Interstate I-75. There is no change in our telephone (892-5722) or Post Office box mailing address (Box 8085).

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Nov. '68 over Nov. '67	Nov. 1968	Oct. 1968	Nov. 1967
Number of Plants (Pool and Non-Pool)		17	17	9
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 52.7	885,420	724,654	579,931
Other Source	+ 283.0	88,106	71,221	23,005
Other Federal Orders	+ 112.3	246,104	229,549	115,921
TOTAL MILK RECEIPTS	+ 69.7	1,219,630	1,025,424	718,857
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	+ 47.8	558,687	414,734	377,923
Skim - Regular	+ 50.0	26,508	20,626	17,667
Skim - 2% Milk	+ 89.9	69,655	60,430	36,683
Buttermilk	+ 63.6	66,352	46,719	40,569
Flavored Milk and Drink	+ 94.0	24,703	16,462	12,733
Creams (Sweet and Sour)	+ 37.8	4,266	2,912	3,096
Sub-Total - Pkg. Products (Pool Plants)	+ 53.5	750,171	561,883	488,671
Other (Shrinkage, Inventory, etc.)		(6,655)	6,064	136
Sales to Non-Pool Plants		167,128	256,525	64,340
In-Area Sales by Non-Pool Plants		28,079	48,906	1,810
TOTAL CLASS I MILK	+ 69.2	938,723	873,378	554,957
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	+ 3.6	41,632	37,440	40,175
Cottage Cheese	+ 43.1	42,134	33,666	29,451
Powdered and Condensed Milk		11,619	-0-	34,756
Livestock Feed and Milk Dumped		9,356	7,895	6,674
Sub-Total - Used to Produce	- 5.7	104,741	79,001	111,056
Shrinkage Class II		17,976	14,741	7,402
Other (Inventory Variation, etc.)		16,433	(164)	9,163
Bulk Sales to Non-Pool Plants		141,757	58,468	36,279
TOTAL CLASS II MILK	+ 71.4	280,907	152,046	163,900
Class I Pkg. Lbs. in Area - Pool Plants	+ 70.1	496,535	477,543	291,980
Class I Pkg. Lbs. Out of Area - Pool Plants	+ 29.0	253,636	84,340	196,691
Class I Pkg. Lbs. in Area - Non-Pool Plants		28,079	48,906	1,810
% Producer Milk of Gross Class I		94.3	83.0	104.5
% Producer Milk Priced in Class I		82.1	85.3	81.1

PLANTS DISTRIBUTING MILK IN FEDERAL ORDER NO. 90 AREA - NOVEMBER 1968POOL PLANTS

Happy Valley Farms, Inc.
 Mayfield Dairy Farms, Inc.
 Ray Moss Farms, Inc.
 Nance Dairy, Inc.
 Sealtest Foods
 Tenn. Valley Milk Producers, Inc.
 Tro-Fe Dairy Company

PLANT LOCATION

Rossville, Georgia
 Athens, Tennessee
 Chattanooga, Tennessee
 Ringgold, Georgia
 Chattanooga, Tennessee
 Chattanooga, Tennessee
 Gadsden, Alabama

PARTIALLY REGULATED PLANTS

Coble Dairy Products, Inc.
 Dempsey Bros. Dairy, Inc.
 Superbrand Dairy Products, Inc.

Anderson, South Carolina
 Rome, Georgia
 Greenville, South Carolina

In addition to the above list seven plants, fully regulated by other Federal Orders, distributed milk in the Chattanooga Order area.

COMPUTATION OF PRODUCER UNIFORM PRICE

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NOVEMBER 1968	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		28,161,702	3.469		
Less Other Source		6,349,203	3.406		
Producer Milk Class I	82.1	21,812,499	3.487308	\$6.567800	\$1,432,601.31
Gross Class II		8,427,220	4.876		
Less Other Source		3,677,111	2.922		
Producer Milk Class II	17.9	4,750,109	6.388506	6.494150	308,479.20
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	26,562,608	4.006120		\$1,741,080.51
Less Fractional Adjustment					.05
Add Value of Overage					499.10
Add Value of Inventory Reclassified					9,837.54
Add Value of Other Source Receipts					
Allocated to Class I and Location Adj.		178,755			21,289.16
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					10,924.52
TOTAL VALUE AT TEST		26,741,363	4.003222	\$6.669932	\$1,783,630.78
Less Test over 3.5% @ 8.0¢ per point		26,741,363	0.503222	.402578	107,654.84
TOTAL UTILIZATION VALUE AT 3.5%		26,741,363	3.5	\$6.267354	\$1,675,975.94
Less Producer-Settlement Fund Reserve		26,741,363		.047354	12,663.11
PRODUCER UNIFORM PRICE F.O.B. POOL PLANTS		26,741,363	3.5	\$6.22 3/	\$1,663,312.83

NOVEMBER 1968 ORDER MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS 3/
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.82	3.6	\$6.30	4.2	\$6.78	4.8	\$7.26	5.4	\$7.74
3.05	5.86	3.65	6.34	4.25	6.82	4.85	7.30	5.45	7.78
3.1	5.90	3.7	6.38	4.3	6.86	4.9	7.34	5.5	7.82
3.15	5.94	3.75	6.42	4.35	6.90	4.95	7.38	5.55	7.86
3.2	5.98	3.8	6.46	4.4	6.94	5.0	7.42	5.6	7.90
3.25	6.02	3.85	6.50	4.45	6.98	5.05	7.46	5.65	7.94
3.3	6.06	3.9	6.54	4.5	7.02	5.1	7.50	5.7	7.98
3.35	6.10	3.95	6.58	4.55	7.06	5.15	7.54	5.75	8.02
3.4	6.14	4.0	6.62	4.6	7.10	5.2	7.58	5.8	8.06
3.45	6.18	4.05	6.66	4.65	7.14	5.25	7.62	5.85	8.10
3.5	6.22	4.1	6.70	4.7	7.18	5.3	7.66	5.9	8.14
3.55	6.26	4.15	6.74	4.75	7.22	5.35	7.70	5.95	8.18

CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

Per § 1090.51(a) Amended	Dec. '68	Nov. '68	Dec. '67
Basic Formula 1/	\$4.33	\$4.33	\$4.05
Plus Class I Differential 2/	1.95	1.95	1.95
Supply-Demand Adjustment	0.44	0.34	0.14
Class I Price, 3.5% Butterfat 3/	\$6.72	\$6.62	\$6.14

DECEMBER 1968

Supply-Demand Comparison: 2nd and 3rd preceding months: September and October	
Supply: Lbs. Producer Milk (Sept. 21,489,634 and Oct. 22,464,285)	43,953,919
Demand: Lbs. Net Class I Milk (Sept. 22,253,731 and Oct. 25,558,641)	47,812,372
Utilization Percentage: Producer milk divided by Class I	92
Standard Utilization Percentage: Range 114-118	114
Net Deviation Percentage: Utilization minus Standard Utilization	Minus 22
Supply-Demand Adjustment: 2 cents x 22 percentage points	Plus \$0.44

1/ Basic Formula "Floor" per Order Amendments.

2/ Increased 20 cents - May 1967 through April 1969.

3/ Subject to minus 18¢ location adjustment at Gadsden, Alabama pool plant.

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform 5/	Base	Excess	Bf.Dif.	Cwt. 5/	Bf.Dif.	Cwt.	Bf.Dif.
Nov.'67	\$5.57	-	-	8.4¢	\$5.98	8.7¢	\$4.00	7.6¢
Dec.	5.65	-	-	8.4	6.14	8.6	4.04	7.8
Jan.'68	5.73	-	-	8.4	6.20	8.8	4.01	7.6
Feb.	5.77	-	-	8.4	6.20	8.6	4.00	7.6
Mar.	5.68 2/	\$5.81	\$3.98	8.2	6.20	8.6	4.02	7.6
Apr.	5.67 2/	5.89	4.14	8.2	6.28	8.6	4.18	7.6
May	5.90 2/	6.14	4.15	8.2	6.56	8.6	4.19	7.6
June	5.79 2/	5.96	4.14	8.2	6.44	8.6	4.18	7.6
July	5.97 2/	6.15	4.14	8.2	6.52	8.6	4.18	7.6
Aug.	6.22	-	-	8.0	6.62	8.0	4.20	7.7
Sept.	6.16	-	-	8.0	6.70	8.0	4.23	7.9
Oct.	6.31	-	-	8.0	6.68	8.2	4.28	7.7
Nov.	6.22	-	-	8.0	6.62	8.1	4.27	7.7
Dec.	-	-	-	-	6.72	8.0	-	-

Date	PRICE QUOTATIONS				PRODUCER MILK USE			
	Chi.92° Butter	Minn/Wisc Mfg. Milk	Chi.Area Powder	Basic Formula 4/	(Daily Average)			
	¢ Lb.	\$-cwt-3.5%	¢ Lb.	\$-cwt-3.5%	Class I Pounds	Test-%	Class II Pounds	Test-%
Nov.'67	66.48	4.00	19.50	4.05	470,450	3.57	109,481	6.66
Dec.	67.69	4.04	19.46	4.05	456,371	3.49	128,470	6.37
Jan.'68	66.44	4.01	19.42	4.05	476,833	3.58	111,321	6.73
Feb.	66.44	4.00	19.46	4.05	486,051	3.55	102,520	6.64
Mar.	66.44	4.02	19.49	4.05	463,722	3.48	133,332	5.80
Apr.	66.44	4.18	21.96	4.33	474,081	3.44	179,918	4.95
May	66.44	4.19	22.62	4.33	467,606	3.45	171,375	4.85
June	66.44	4.18	22.54	4.33	432,917	3.40	167,462	4.93
July	66.43	4.18	22.77	4.33	439,957	3.40	130,640	5.06
Aug.	66.59	4.20	22.90	4.33	504,464	3.40	96,996	5.47
Sept.	68.54	4.23	22.91	4.33	561,274	3.45	155,047	5.07
Oct.	67.29	4.28	22.95	4.33	617,813	3.59	106,841	6.20
Nov.	66.79	4.27	22.75	4.33	727,083	3.49	158,337	6.39

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK 3/			PRODUCER DATA				Deliveries Per		
	No.	Total	Class I	No.	Total	Base	Average	Farm-----Pounds		
	Hdlrs.	Receipt	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Nov.'67	9	718,857	554,957	549	579,931	-	4.16	1,056	-	-
Dec.	9	721,913	535,531	548	584,841	-	4.12	1,067	-	-
Jan.'68	9	729,565	562,990	546	588,154	-	4.18	1,077	-	-
Feb.	10	745,749	579,909	541	588,571	-	4.08	1,088	-	-
Mar.	11	763,766	556,510	539	597,054	553,510	3.99	1,108	1,027	81
Apr.	11	804,063	531,929	536	653,999	574,609	3.85	1,220	1,072	148
May	11	805,968	533,685	535	638,981	563,280	3.82	1,194	1,053	141
June	11	798,670	533,671	537	600,379	546,005	3.82	1,118	1,017	101
July	10	758,105	563,764	535	570,597	519,550	3.78	1,067	971	96
Aug.	17	855,075	708,065	541	601,460	-	3.73	1,112	-	-
Sept.	17	1,014,868	786,828	620	716,321	-	3.80	1,155	-	-
Oct.	17	1,025,424	873,378	619	724,654	-	3.98	1,171	-	-
Nov.	17	1,219,630	938,723	721	885,420	-	4.01	1,228	-	-

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I

4/ Basic Formula "floor" per Order Amendments

5/ Subject to 18¢ location adjustment at Gadsden, Alabama pool plant